

Brief Summary of Administration Housing  
Bill of 1961 as submitted to the Congress,  
March 29, 1961

I. HOUSING FOR MODERATE INCOME FAMILIES

A. Broadened FHA Section 221 Program. 40-year, no-down-payment mortgages for housing for low and moderate income and displaced families. Program for displaced families continues on permanent basis. Program for others would expire July 1, 1963. Insurance claims could be paid in cash. Program covers sales and rental housing. Mortgage ceiling \$9,000 for single-family home, but up to \$15,000 in high cost areas.

B. Low-Interest FHA-Insured Loans on Rental and Cooperative Housing.

Housing for low and moderate income and displaced families. Non-profit organizations, cooperatives, local public agencies, and limited-dividend corporations eligible borrowers. Low interest rates discretionary. Authority to waive insurance premium. Insurance claims could be paid in cash. FNMA special assistance for all loans. *Public housing*

II. HOME IMPROVEMENT AND REHABILITATION

A. FHA insurance of a loan, up to \$10,000 maximum (in addition to any mortgage on the property), for home improvement and rehabilitation. Maturities up to 25 years, interest rate up to 6 percent. Insurance claims could be paid in cash. FNMA special assistance authorized if housing is in urban renewal areas. *6*

III. EXPERIMENTAL HOUSING AND APARTMENT  
UNIT MORTGAGE INSURANCE

A. New program of FHA-insured mortgages for testing housing using new techniques in building, design, materials, or construction, which otherwise may not qualify under normal mortgage insurance criteria. Insurance claims could be paid in cash.

B. FHA authorized to insure mortgages on individual units in apartments.

#### IV. NATIONAL HOUSING ACT AUTHORIZATIONS

A. FHA Authority. General mortgage insurance authority extended 4 years, and Title I loan insurance authority extended 2 years.

B. FNMA Authority. Authority for special assistance functions increased by \$750 million.

#### V. HOUSING FOR ELDERLY AND LOW INCOME

##### 1. Housing for the Elderly

A. Direct Loans. Authorization for appropriations increased by \$50 million. Public bodies made eligible for loans in addition to private nonprofit sponsors under present law. Separate \$5 million sublimitation on "related facilities" removed.

##### (2) Public Housing

A. Additional Payment for Elderly. Up to \$120 per year additional Federal payment for units occupied by elderly families where needed to prevent project default.

B. Increased Cost Limits on Units for Elderly. Per room increased by \$500 because of higher per room cost of small units.

C. Dwelling Unit Authorization. Authority for approximately 100,000 additional units (up to the limit originally authorized in the Housing Act of 1949).

D. Occupancy. Local responsibility for establishment of preferences for occupants. Authorization under special circumstances for an over-income family to remain, at an unsubsidized rent, until suitable housing is available.

E. Demonstration Programs. PHA authorized to make grants to local bodies to develop and demonstrate new or improved means for providing housing for low income families. \$10 million limit on appropriations.

#### VI. URBAN RENEWAL AND PLANNING

A. Urban Renewal Grant Authorization. Increased by \$2.5 billion.

B. Federal Relocation Payments. Increased amounts to displaced businesses if increase over present amount is shared by locality as part of project cost.

C. Urban Renewal Property for Low and Moderate Income Rental Housing. Urban renewal property could be sold to a limited-dividend or nonprofit corporation, cooperative, or public body at fair value for its use in providing new or rehabilitated rental or cooperative housing for occupancy by families of low or moderate income. II

D. Rehabilitation Demonstrations. Local public agency could demonstrate rehabilitation techniques by acquiring properties in urban renewal area, improving them as part of project cost, and reselling them to private owners.

E. Nonresidential Exception. Increased from 20 percent to 30 percent. 4

F. Urban Planning Grants. Federal share increased from 1/2 to 2/3, and authorization for appropriation increased by \$80 million.

#### VII. COMMUNITY FACILITIES

Authorization for public facility loans would be increased by \$50 million. 2

State limitation on advances for public works planning increased from 10 percent to 12-1/2 percent. Area-wide projects, the construction of which might require a number of years, made eligible for these advances.

#### VIII. FARM HOUSING

The farm housing provisions of the Housing Act of 1949 which are administered by the Farmers Home Administration of the Department of Agriculture would be extended for five years and a requirement for mortgage security would be relaxed.

#### IX. MISCELLANEOUS

Miscellaneous changes made in various existing laws for clarification or to eliminate administrative difficulties.

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